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Trafficking in Terror for Libya

Former CIA agents and U.S. suppliers reap profits

The world's most notorious supporter of international terrorism is Libya's mercurial strongman, Colonel Muammar Gaddafi. The Reagan Administration is so convinced of the Gaddafi connection with terrorism that last month it ordered Libya's diplomatic mission in Washington to close up shop and leave the U.S. But who is helping to train and arm Gaddafi's terrorists? The astonishing and embarrassing answer: former agents of the Central Intelligence Agency and private U.S. companies that have long supplied the CIA with such tricks of the trade as gun silencers, concealable explosives, delayed-triggering timers and electronic snooping devices.

So claims a two-part story in *The New York Times* Magazine by Seymour Hersh, a former *Times* reporter and current freelance journalist. His account of Americans putting their pursuit of personal wealth above the national interest has been confirmed in its essential details by *TIME* correspondents. Hersh's tale of intrigue also raised questions about the Government's attitude toward the export of expertise in terrorism. The Justice Department and the FBI investigated the case seemingly with less than full enthusiasm. The State Department and the CIA appear unable to stop this peculiar kind of profiteering.

The main source for Hersh's story is Kevin Mulcahy, 38, a former computer and communications expert for the CIA. He left the agency in 1968, worked in electronics and computers, overcame a struggle with alcoholism, and in 1976 was coaxed into the business of exporting high-speed communications and computer gear. His scheming partners in Inter-

Technology, Inc., were two former CIA undercover agents: Edwin P. Wilson, 52, who had helped to organize the disastrous Bay of Pigs invasion of Cuba, and Frank E. Terpil, 41, who had worked overseas for the agency as a communications technician. Wilson, known as "the ice-man" at the agency, was a cold yet charming operative who kept in gregarious touch with his CIA buddies. He often took Mulcahy along to suburban Washington bars, like the Rough Rider Lounge at the Ramada Inn in Tyson Corners, Va., where agents gathered. Mulcahy was convinced that his partner was still working "under deep cover" for the CIA.

Thus Mulcahy was not alarmed when his two partners told him that they planned to visit Gaddafi in Tripoli. One reason: Wilson, in Mulcahy's presence, had told Theodore G. Shackley, then an assistant to the CIA's highest clandestine operations official, about the trip. Gaddafi wanted to buy thousands of timers that could set off explosives at a specified hour, ostensibly to clear Israeli mines left from the October War of 1973—even though there is no evidence that any such mines were in Libyan waters or territory.

A firm called American Electronic Laboratories, Inc., of Falls Church, Va., which had long furnished the CIA with classified equipment, agreed to build prototypes for Gaddafi's order. The deal was set at a meeting in a Virginia

Edwin Wilson



Kevin Mulcahy



Frank Terpil



J.S. Brower & Associates of Pomona, Calif., another CIA contractor. Some 40,000 lbs. of the high explosive RDX—the largest nonmilitary shipment on record—were flown to Libya in 55-gal. drums marked "industrial solvent." This was a risky enterprise since the drums could have exploded in flight in turbulent weather.

Mulcahy finally decided his partners were acting on their own, not for the agency, when they directed him to arrange for purchase of a Redeye ground-to-air missile for Gaddafi. Mulcahy feared Gaddafi might be planning to arm a Redeye with a nuclear warhead. Alarmed, he searched through his company's files, found documents he had never seen—and reported his findings to both the CIA and the FBI.

The documents, according to Hersh, disclose that Wilson and Terpil had set up a training program in Libya in "espionage, sabotage and general psychological warfare." It included a laboratory near Tripoli for making assassination bombs disguised as ashtrays, lamps or teakettles. An active CIA agent, Pat Loomis, allegedly helped induce some Green Berets training at Fort Bragg, N.C., to leave the Special Forces and join the Libyan operation as instructors.

Mulcahy also discovered that Terpil had provided arms, explosives and torture devices under a \$3.2 million contract with Idi Amin Dada's brutal government in Uganda. Terpil had once bragged about testing a new poison on someone in Uganda whom he had no reason to kill.

